



ROBERT M. DAY, Ph.D.,
Executive Director

K A N S A S

KATHLEEN SEBELIUS, GOVERNOR

KANSAS HEALTH POLICY AUTHORITY

Approved: 4-10-06

Minutes – KHPAB Meeting of March 21, 2006

Board Members Absent:

Garen Cox, CEO, Medicalodges Inc.
Rod Bremby, KDHE Secretary

All Remaining Board Members Present.

Board Staff Present:

- Dr. Robert Day, Executive Director
- Dr. Andy Allison, Deputy Director

Guests Present:

- Dr. Ray Davis, Lawrence KS
- Dr. Barb Langner, KUMC, Kansas City KS
- Mr. Charles R. "Dick" Hay, Topeka KS

Call to Order – Welcome – Introductions:

- Chair Marcia Nielsen called the meeting to order, welcomed the board members and guests, and reviewed the agenda (handout).
- She introduced Dr. Ray Davis to the Board, who is the newly-nominated Board member to replace Dr. Charles Mossman. The Board members will be notified upon Dr. Davis' confirmation to the Board.

Updates from Dr. Robert Day, Executive Director:

- Budget and Legislative Update. Dr. Day reviewed the FY 2006 budget summary (handout) of approved expenses along with the budget recommendations, and stated the current unencumbered amount is \$35,000. Dr. Day then reviewed the recent legislative activity on funding of several of the Division's initiatives, to include the Childrens 0-5 coverage (House removal of \$3.5 million) and Business Health Policy (House removal of \$1.5 million). He added that there will be additional funding decisions made during the legislative conference committees' hearings.
- MOU with KHPAB and Dept of Administration (DofA). Dr. Day reviewed the draft MOU (handout), which outlines an agreement that DofA will provide support services (personnel, IT, and some legal support services) to the Authority from July 2006 through June 2007. This draft MOU will be signed after the FY 2007 budget is finalized. A brief discussion was held on the timing of the approval of the MOU, i.e. postponing approval until after the budget is finalized. Secretary Goossen recommended waiting until final budget approval for several reasons: the MOU would be in effect during FY 2007 and the parameters would be known for FY 2007 budget. There was also the question of the impact on the MOU approval with the change in the Authority's Executive Director and it was agreed that the change would have no impact.
- Legislative Update. Dr. Day introduced Luke Thompson to the Board, who is the legislative liaison for

both the Division of Health Policy and Finance and the Authority. Dr. Day then reviewed several legislative bills of interest to the Authority, to include SB 326, HB 2945, HB 3010 (handout). He reviewed copy of the testimony relating to SB 326 (handout) with the group and pointed out to the concerns the Division had with this bill especially in the area of overriding and deactivating edits. He then briefly reviewed the remaining bills with the group.

- There was a lengthy discussion on the process for the Board members to “weigh-in” on legislative bills, how to provide opportunity for Board members to express their thoughts on issues but yet provide consistent opinion on behalf of the Authority. Dr. Day responded that legislative staff from the Division and other agencies (SRS, Aging, JJA, Gov’s Office, etc.) meet weekly to review legislature that impacts health care; at that time legislation is tracked and staff are alerted to provide testimony, attend a hearing to observe, etc. Secretary Greenlee added that an additional weekly meeting is held on Fridays, with agencies’ Governmental Affairs staff along with the Governor’s staff to review legislation, and that next year the Authority will want to coordinate with that group as well. Chair Nielsen added that the Authority’s legal counsel can assist with developing this process; also a suggestion was made to create a standing legislative subcommittee for the Authority, to work the legal counsel on legislative issues. Ms. Hubbell suggested that Board members receive weekly email updates after these legislative staff meetings are held, to keep the Board apprised of legislative issues. There was agreement that a mechanism is needed for the Board to be able to keep apprised of legislation, provide consistent direction and vision from the Authority, and be alerted to issues needing testimony from the Board’s Executive Director or Chair. Chair Nielsen closed by stating that next year the Authority Chair and/or Executive Director will need to be in position to attend legislative hearings, especially those related to the budget, to protect programs and services.
- Luke Thompson then reviewed the Legislative Request/Response Protocol Checklist (handout) which is being piloted within the Division, for staff to use when contacted by a legislator on a specific issue. This form will be made available on-line once pilot process is completed.
- KHPA Budget Process/Timeframe for FY 2008. Dr. Day reviewed the state budget process flowchart (handout) and explained the timeframe from the planning phase (i.e. Consensus Caseload meeting in April), submission of proposed budget (due 9-15-06), review of budget by DOB, appeal process (usually November), Governor’s review and recommendations (announced during State of State address), and finally legislative review and passing of appropriations bills. Dr. Day emphasized the importance of public input on issues during the budget preparation timeframe. He explained the proposed budget should include enhancements and reductions as well. Secretary Goossen added that the Authority’s key tasks this summer will include reviewing budget requests for FY 2008 and making key strategic decisions.
- Potential KHPA Expansion. Dr. Day reviewed the summary of expanded programs (handout) which outlined the services, number of consumers, and total expenditures for assuming additional programs from SRS and Aging. These programs include: HCBS, Targeted Case Management, Mental Health Services, Nursing Facilities for Mental Health, and Substance Abuse Treatment; the five State Institutions (currently under SRS); and Nursing Facilities. This document reflected total estimated expenditures would be over \$1 billion, serving approximately 90,000 Medicaid consumers, and absorbing 2600 additional staff. Dr. Day added that the stakeholders and advocacy groups for each of these programs are very active and that any decision made in these areas would need public input, as well as input from affected Cabinet Secretaries and their staff. He advised the Board that, if its recommendation is to be incorporated into its budget submission to the Governor in September, the Board would need to make a final decision on the transfer of these programs by early July.
- **ACTION:** The Board requested that Dr. Day and Dr. Allison provide the Board/Authority with a summary of implications of keeping these programs status quo as opposed to moving to the Authority; this report should also outline the preference of the advocacy groups. A draft timeline of town hall meetings conducted this summer will also be provided.

Report from Dr. Marcia Nielsen

- Recap of Strategic Planning Retreat/Report. Dr. Nielsen reviewed the draft report (handout) with the Board which covered discussion points of: Planning Domains, Guiding Principles, Administration and Governance, Long Term Goals/Strategies, and Next Steps; the Board members were then asked for their evaluation of the report and recommendations to revise. A suggestion was made to include term

"stewardship of public funds" in the report where appropriate. Several members commented that overall the document was fairly complete but needed additional clarifications in certain areas.

- **ACTION:** Dr. Nielsen advised that Dr. Day and Dr. Allison would be revising the Guiding Principles section of the report for next month's meeting; Dr. Day then suggested using a block of time at the April's meeting to further review and clarify the Guiding Principles.
- **ACTION:** Dr. Nielsen added that the Administration and Governance section would be further clarified with the assistance of the Authority legal counsel H. Philip Elwood (see separate topic below) and that a Governance Subcommittee would be formed to work further on establishing a governance structure for the Authority. Board members on this Subcommittee are: Dr. Nielsen, Connie Hubbell, Ned Holland, and Garen Cox.
- Dr. Nielsen continued with review of the draft by summarizing the Long Term Goals and Strategies which included Disease Prevention and Health Promotion, Access and Coverage, Quality and Safety, Affordability and Efficiency, and lastly Administration and Governance.
- As referenced in the Access and Coverage long-term goal, an analysis of Medicaid reform activities is being developed by Dr. Barb Langner for the Authority which will include trends from major states, implications of these trends, and information on block grants used by states.
- **ACTION:** This analysis will be available at a future Board meeting and will include an overview of states' motivations for such reform (such as quality of care? Or cost of care?).
- Referenced in the Administrative and Governance goal was a request for a comprehensive unbiased baseline analysis of current health care costs. Dr. Day advised that staff have requested the assistance of the Kansas Health Institute to produce a baseline report of health care costs and wellness trends
- **ACTION:** Dr. Allison will return to the Board/Authority with a final plan for producing a baseline report.
- Dr. Nielsen closed this retreat discussion by highlighting the Next Steps portion of the report, which included additional development of Guiding Principles; measures for long-term strategies; and development of broader strategic plan. This report will be revised for further clarity and reviewed again by the Board.
- **Report on Legal Counsel.** Dr. Andy Allison reported that the contract for the Authority's Legal Counsel had been signed by H. Philip Elwood with the Goodell, Stratton, Edmonds and Palmer law firm, located at 515 South Kansas Avenue, Topeka KS, 66603. Due to Mr. Elwood's prior commitments, he was unable to attend this meeting; however Charles R. "Dick" Hay was introduced and provided a brief background of their agency. Dr. Allison closed by thanking the Authority's Legal Subcommittee (Garen Cox, Dr. Vernon Mills, and Ned Holland) for their work on this project. Bios (handout) on Mr. Elwood and Mr. Hay were included in the Board binders.
- **Health Authority Governance** . This topic was reported on in the preceding paragraph on the Planning Retreat Report.

Presentations by Dr. Andy Allison:

- **Introduction to Medicaid Program.** Dr. Allison reviewed an overview (handout) of the Medicaid program which included a working definition of the program, federal rules affecting Medicaid, state flexibility with operation of the program, and Medicaid policy-making process.
- **Staff Recommendation for Data Consortium.** Dr. Allison reviewed with the group a draft Data Consortium Charter Statement which outlined the process for managing the wide range of health data for which the KHPA is responsible; the draft also provided recommendations for Consortium membership, including a number of state agencies and public health stakeholders. During discussion of this document, it was noted that the work of this Consortium and that of the Health Data Governing Board had a number of similarities, except there appeared to be more accountability expected in the work of the Data Consortium.
- There were some concerns expressed about the Consortium membership list, with the lack of long-term care and/or HCBS representation. It was also suggested that this Consortium include a component of public health services for children as well. Dr. Rodenberg added that a number of these same concerns had been included in his summary to the Authority on the Health Data Governing Board at the December meeting. Dr. Mills suggested that stakeholders remain on the membership list, as their input is valuable when policy changes are being discussed.
- **ACTION:** Dr. Day and Dr. Allison will bring back a revised charter to the April Board meeting.

Executive Session:

At 1:30 pm, a motion was made, seconded and carried for the Board to go into Executive Session, with the public meeting reconvening at 2:10 pm.

Additional Updates by Dr. Marcia Nielsen:

- Executive Search Process. Upon reconvening to the public portion of the meeting, a motion was made, seconded and carried for the Authority to create an Executive Search Subcommittee to begin a national search to replace Dr. Day, Executive Director, at a cost not to exceed \$25,000; members of this subcommittee are Dr. Nielsen, Ned Holland, and Duane Goossen/staff.
- Baseline Analysis of Health. This topic was reported on in the preceding paragraph on the Retreat Report.
- Pointing Ahead: Future Meetings/Board Activities. The next Authority Board meeting is April 18th, 8:30 to 3:00.
- Next steps for the Board:
 1. Prepare document outlining implications moving additional SRS and Aging programs to the Authority.
 2. Revise Guiding Principles for the Authority.
 3. Report from the Governance Subcommittee. Subcommittee to meet next week to discuss: What standing committees are needed? Process for public input? Opportunity express opinion on legislative issues on behalf of Authority.
 4. Analysis of Medicaid Reform Activities by other States.
 5. Review plan for producing baseline report on health care costs and wellness trends.
 6. Revise Data Consortium Charter document.
 7. Develop process and timeline for conducting town hall meetings.
- Additional agenda topics for April's meeting:
 1. Report from Executive Search Subcommittee.
 2. Report from Governance Subcommittee.

Public Comments/Adjournment:

There were no public comments received from the audience.
Meeting was adjourned.